

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Santa Fe Post Office
Santa Fe, Missouri 65282

Docket No. A2012-120

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(March 13, 2012)

On January 18, 2012, the Postal Regulatory Commission (Commission) received a petition for review from postal customer, Valena Booth (Petitioner Booth), objecting to the discontinuance of the Post Office at Santa Fe, Missouri.¹ Subsequently, on January 20, 2012, the Commission received a second petition from Robert F. Young (Petitioner Young). On February 3, 2012, the Commission issued Order No. 1198, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 1198, the administrative record was filed with the Commission on February 3, 2012.² The following is the Postal Service's answering brief in support of its decision to discontinue the Santa Fe Post Office.

The appeals received by the Commission raise three issues: (1) the effect on postal services, (2) the impact upon the Santa Fe community, and (3) economic savings. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal

¹ This discontinuance was conducted pursuant to Handbook PO-101 dated July 2011.

² The Postal Service also filed a Motion for Late Acceptance. See Motion of the United States Postal Service for Late Acceptance of Administrative Record, PRC Docket No. A2012-120, February 3, 2012. According to Order No. 1198, the Administrative Record was due no later than February 2, 2012. See Order No. 1198 - Notice and Order Accepting Appeal and Establishing Procedural Schedule, PRC Docket No. A2012-120, February 3, 2012.

Service's statutory obligations and Commission precedent,³ the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Santa Fe Post Office should be affirmed.

Background

The Final Determination To Close the Santa Fe, MO Post Office and Continue Service by Highway Contract Route Service ("Final Determination" or "FD")⁴, as well as the administrative record, indicate that the Santa Fe Post Office provides EAS-53 level service to 67 delivery customers via a Highway Contract Route (HCR) and retail customers 24 hours per week.⁵ The postmaster position is not vacant. Upon implementation of the final determination, the current postmaster may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby facility.⁶ Revenue is low and generally declining: \$7,849.00 in FY 2007; \$8,102.00.00 in FY 2008; \$7,689.00 in FY 2009; \$6,773.00 in FY 2010 and \$6,091.00 in FY 2011.⁷

Upon implementation of the final determination, delivery and retail services will be provided by HCR delivery service under the administrative responsibility of the Paris Post Office, an EAS-16 level office located seventeen miles away. FD at 2; Item No.

³ See 39 U.S.C. 404(d)(2)(A).

⁴ The Final Determination can be found at Item No. 35 in the Administrative Record. All citations to the Final Determination will be to "FD at___," rather than to Item 35. Each document in the record is paginated in the upper left hand corner. Other Items in the administrative record are referred to as "Item No.____."

⁵ FD at 2; Item No. 29, Log of Post Office Discontinuance Actions, at 1.

⁶ FD at 6.

⁷ FD at 2; Item No. 17, Proposal to Close the Santa Fe, MO Post Office and Continue to Provide Service by Highway Contract Route Service ("Proposal"), at 2.

17, Proposal, at 2. Additionally, customers have the option of obtaining retail and Post Office box service from the Perry Post Office which is 11 miles away.

The Postal Service followed the proper procedures which led to the posting of the Final Determination. All issues raised by the customers of the Santa Fe Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and Final Determination, customers received notice through other means. Questionnaires were distributed to delivery customers of the Santa Fe Post Office. Questionnaires were also available over the counter for retail customers at. FD at 2; Item No. 10, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Santa Fe Post Office, at 2. A letter from the Manager of Post Office Operations, St. Louis, Missouri, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether to discontinue the operation of the Santa Fe Post Office, and that effective and regular service could be provided through carrier delivery and retail services available at the Paris Post Office. The letter invited customers to complete and return a customer questionnaire wherein they could express their opinions about the service they were receiving and the effects of a possible change involving rural carrier delivery. Item No. 10, Letter to Customer, at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 20. In addition, representatives from the Postal Service were available at the Santa Fe Community Hall for a community meeting on September 15, 2011, to answer questions and provide information to customers. FD at 2; Item No. 10, Letter to Customer, at 1; Item No. 11, Community Meeting Roster; Item

No. 22, Community Meeting Analysis. Customers received formal notice of the Proposal and Final Determination through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Santa Fe, Paris⁸, and Perry⁹ Post Offices from August 29, 2011 to October 30, 2011. FD at 2; Item No. 23, Round-date stamped Proposals and Invitations for comments from affected offices. The Final Determination was posted at the Paris and Perry Post Offices starting December 12, 2011 and at the Santa Fe Post Office starting December 13, 2011,¹⁰ as confirmed by the round-dated Final Determination cover sheets.¹¹

In light of minimal workload, declining office revenue,¹² the variety of delivery and retail options (including the convenience of carrier delivery and retail service),¹³ minimal impact upon the community, and the expected financial savings,¹⁴ the Postal Service issued the Final Determination.¹⁵ Regular and effective postal services will continue to be provided to the Santa Fe community in a cost-effective manner upon implementation of the final determination. FD at 2, 7.

⁸ The Paris Post Office is not a candidate facility within the Retail Access Optimization Initiative (RAOI). See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1, at <http://www.prc.gov/prc-pages/library/detail.aspx?docketId=N2011-1&docketPart=Documents&docid=75971&docType=Library%20References&attrID=&attrName=>.

⁹ The Perry Post Office is not a candidate facility within the Retail Access Optimization Initiative (RAOI). See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1, at <http://www.prc.gov/prc-pages/library/detail.aspx?docketId=N2011-1&docketPart=Documents&docid=75971&docType=Library%20References&attrID=&attrName=>.

¹⁰ The Final Determination was posted a day later at the Santa Fe Post Office due the limited hours the Post Office is open. At the time the Final Determination was received, the Post Office was closed; therefore, the document was not posted until December 13, 2011.

¹¹ Item No. 36, Round-date stamped Final Determination cover sheets. The round-date stamped Final Determination for the Santa Fe and Paris Post Offices are not in the administrative record filed on February 3, 2012. These documents will be filed with the Commission under separate cover.

¹² See note 7 and accompanying text,

¹³ FD at 2-5.

¹⁴ FD at 6.

¹⁵ FD at 2-7.

Each of the issues raised by the Petitioners is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Santa Fe Post Office on postal services provided to Santa Fe customers. The closing is premised upon providing regular and effective postal services to Santa Fe customers.

The Petitioners, in their letters of appeal, raise the issue of the effect on postal services of the Santa Fe Post Office's closing, noting the convenience of the Santa Fe Post Office and requesting its retention. Specifically, Petitioner Booth raises concern about mail delivery during times of inclement weather.

The Postal Service is required to provide each community with regular and effective service, using the most cost efficient means possible. The proposed alternative delivery service will meet the mailing and service needs of the community in a more cost effective manner. FD at 3. While both inclement weather and heavy mail volume can cause deviations from the normal delivery schedule, the carrier is required to provide a vehicle of adequate size, equipped with the necessary equipment to serve the route safely and efficiently and in accordance with federal, state, and local motor vehicle laws and regulations. FD at 3.

As explained in the record, most services provided at the Post Office such as the sale of stamps, envelopes, postal cards, and money orders will be available from the carrier, thereby alleviating the need for customers to travel to another Post Office for

service. FD at 2; Item No. 22, Postal Service Customer Community Meeting Analysis (Community Meeting Analysis), at 1. The provision of carrier service is extremely beneficial for senior citizens and those who face special challenges because the carrier can provide retail and delivery services to roadside mailboxes or centralized box units located close to customer residences. FD at 5; Item No. 22, Community Meeting Analysis, at 1. In addition, special provisions are made for hardship cases or special customer needs. FD at 5; Item No. 22, Community Meeting Analysis, at 1.

Moreover, most transactions do not require meeting the carrier at the mailbox. Stamps by Mail and Money Order Application forms are available for customer convenience and stamps are also available at many stores and gas stations where customers may already shop, online at usps.com, or by calling 1-800-STAMP-24. FD at 2; Item No. 21, Customer Questionnaire Analysis, at 2. Special services, such as certified, registered, or Express Mail, delivery confirmation, signature confirmation, and COD may also be obtained from the carrier by leaving a note in the mailbox, along with the appropriate payment. FD at 4. The carrier will provide services that day and leave a customer receipt in the mailbox on the next delivery day. FD at 4.

In addition to the above mentioned services, the carrier will also provide package pick up and delivery service. Rural carriers will deliver packages that fit customer mailboxes. FD at 3; Item No. 22, Community Meeting Analysis, at 1. However, if the package does not fit in the mailbox, the carrier will deliver the package up to ½ mile off of the line of travel, at a designated place, such as a porch or carport. FD at 3; Item No. 22, Community Meeting Analysis, at 1. For carrier pickup of packages, customers can contact the administrative Post Office to advise the carrier that they have a package

available for pickup. The rural carrier will also accept letters, flats or packages up to 13 ounces for mailing. FD at 3; Item No. 22, Community Meeting Analysis, at 1. The carrier will estimate the cost and provide a receipt for any money received. FD at 3; Item No. 22, Community Meeting Analysis, at 1. On the following delivery day, the carrier will provide change or a bill for the amount over the estimate. FD at 3; Item No. 22, Community Meeting Analysis, at 1.¹⁶

Although neither Petitioner raised concerns about mail security, the record reflects that the Postal Service sent a questionnaire to the Postal Inspection Service concerning mail theft and vandalism in the Post Office area. The records of that agency indicate that there are no reports of mail theft or vandalism in the area. Item No. 5, Inspection Service/local law enforcement vandalism reports, at 1. In addition, the Postal Service informed customers that they may place a lock on their mailboxes as long as there is a slot large enough to accommodate the customer's normal daily mail volume. FD at 4. As such, there appears to be minimal risk of mail theft or vandalism occasioned by the closing of the Santa Fe Post Office.

The Postal Service has considered the impact of closing the Santa Fe Post Office upon the provision of postal services to Santa Fe customers. The carrier can provide similar access to retail service, thereby alleviating the need to travel to the Post Office. FD at 5. Thus, the Postal Service has properly concluded that all Santa Fe customers will continue to receive regular and effective service.

¹⁶ Packages over 13 ounces may be picked up if the postage was printed online or with a traceable meter. FD at 3.

Effect Upon the Santa Fe Community

The Postal Service is obligated to consider the effect of its decision to close the Santa Fe Post Office upon the Santa Fe community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Santa Fe is an incorporated rural community located in and administered politically by Monroe County. Police Protection is provided by the Monroe County Sheriff's Department and fire protection is provided by the Perry Fire Department. The community is comprised of farmers and those who commute to work at nearby communities and may work in local businesses. The questionnaires completed by Santa Fe customers indicate that, in general, the farmers, commuters, and others who reside in Santa Fe may travel to nearby communities for other supplies and services. See generally FD at 5; Item No. 20, Returned customer questionnaires and Postal Service response letters.

Petitioner Booth contends that the Post Office is the “heart” of the community where residents get information on “deaths, births, sickness, [and] accidents.” The Postal Service explained to residents that they may continue to meet informally, socialize, and share information at the other businesses, churches, and residences in town. FD at 5; Item No. 22, Community Meeting Analysis, at 2. Residents will continue to receive courteous and helpful service from the personnel at the administrative Post Office and from the carrier. In the event that a customer requires special assistance it

will provided as needed. FD at 2; Item No. 22, Community Meeting Analysis at 1. In addition, to help preserve the Santa Fe community's identity, the Postal Service will continue to use the community name and Zip Code in addresses. FD at 5; Item No. 22, Community Meeting Analysis, at 2.

Further, the Postal Service concluded that nonpostal services provided by the Santa Fe Post Office can be provided by the Paris Post Office. FD at 5; Item No. 17, Proposal Exhibit, at 2. Government forms normally provided by the Post Office will also be available at the Paris Post Office or by contacting local government agencies. FD at 5; Item No. 17, Proposal Exhibit, at 2.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Santa Fe Post Office on the community served by the Santa Fe Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that carrier service would cost the Postal Service substantially less than maintaining the Santa Fe Post Office and would still provide regular and effective service. FD at 7. The estimated ten year savings associated with discontinuing the Santa Fe Post Office are \$246,954.00. FD at 6.

Both Petitioners contend that the cost savings from closing a Post Office such as Santa Fe will only result in a small amount of savings for the Postal Service. While the savings may seem insignificant to the Petitioners, it is significant to the overall cost reduction focus of the Postal Service. The Postal Service is looking at all opportunities

to operate more efficiently and provide effective and regular service. While the savings for any given initiative may seem small, these savings can make a difference when added together.

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD at 6.

The Postal Service determined that carrier service is more cost-effective than maintaining the Santa Fe postal facility. FD at 6. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. There is currently a postmaster assigned to this Post Office. Upon implementation of the Final Determination the postmaster may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby facility. FD at 6. The record shows that no other employee would be adversely affected by this closing. FD at 6. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Santa Fe Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Santa Fe Post Office on the provision of postal services and on the Santa Fe community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Santa Fe customers through carrier service. FD at 2. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Santa Fe Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Santa Fe Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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